Industry Multiples in India

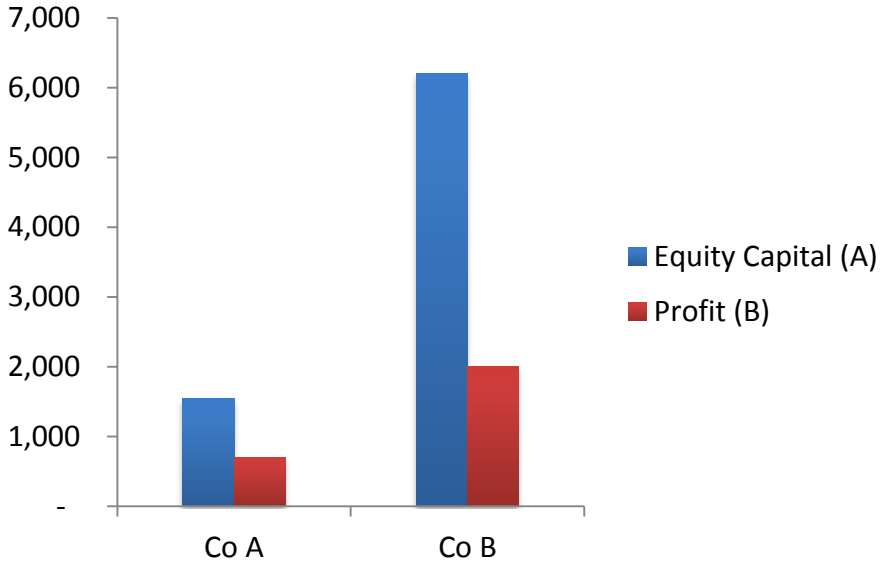
(August 2018)

Introduction – Need for Industry Multiples

- Multiples address the need to compare the relative attractiveness of an entity to its peers. It helps in identifying the relative value based on the businesses' key value driving factor which assist in pricing decisions. In cross border comparisons, in absence of a common reporting currency, a multiple based analysis would be useful since a multiple is a relative number without a currency/ unit of value. Given these advantages, a multiple based analysis forms a integral part of most financial investment/ valuation decision making.
- The thought process behind using a multiple is comparable to the thought process behind buying a consumable commodity such as a car. For example, the criteria that one would evaluate to buy a car would most likely be:
  - What is the mileage of cars comparable or in the same segment as the desired car?
  - If two cars have similar mileages but are of different engine sizes, then the ratio of the car's engine to the car's mileage is computed.
- In case of organizations, the comparison metrics are their operational performance viz, revenues, operating incomes etc. however, the size of any pair of companies would not be the same. This makes the decision making based on only the absolute earning metric inadequate. Hence the need for a multiple based comparison.
- We have illustrated the above with the help of an example.

Higher Profit vs Lower Multiple

Introduction – Need for Industry Multiples



(INR in Crores)

Particulars	Co A	Co B
Equity Capital (A)	1,540	6,200
Profit (B)	700	2,000
Equity/ Profit multiple= (A)/(B)	2.2	3.1

The equity capital to profit multiple reflects the price of purchasing one unit of profit of the company

Co B in the example above yields higher profits than Co A in absolute terms INR 2,000 Crores (Crs) vs INR 700 Crs. This may lead one to believe that Co B is superior. However, the companies are of different sizes as depicted by the equity capital invested in the companies. Hence, it warrants analyzing the equity capital to profits multiple (Equity capital invested/ Profits) which provides price for purchasing 1 unit of the company's profit.

Based on the multiple based analysis it may be concluded that though Co A has lower absolute profits, it has superior efficiency or operating leverage resulting in higher profit per unit of equity capital invested. Hence an investor would be better off investing in Co A. It is important to note that there are various assumptions behind interpreting results of a multiple based analysis and it could be possible that Co A's lower multiple is justified in light of its higher non-systematic risks. Interpretations and limitations of commonly used multiples are discussed under the 'Types of Industry Multiples' section of this report.

Computing Industry Multiples

- Numerator of a multiple can be either an equity value (such as market price or equity market capitalization) or a firm value (such as enterprise value, which is the sum of the market values of debt and equity, net of cash and surplus investments). It must be ensured that uniformity in the numerator and the denominator of the multiple is maintained. i.e. if the numerator is a equity value (or firm value), then the denominator should be a measure of equity returns (or a measure firm level returns).
- Fundamentals that drive the multiple must be identified and the impact of changes in these fundamentals on the multiple value must be analyzed.
- The multiple chosen for analysis must be defined consistently for it to be effective tool in comparative analysis. For instance, analysts define price-earnings (P/E) ratio to be the market price divided by the earnings per share. Generally, the current market price is used in the numerator, however, some analysts use the average price over the last six months or a year. In addition, earnings per share can be computed based on shares outstanding or fully diluted shares and earnings can include or exclude extraordinary items. Hence, it must be ensured that the chosen definition of the multiple is consistently applied across all firms being analyzed.
- Multiples provide a perpetuity value of the company, i.e. the generic assumption behind a multiple based analysis is that the financial measure (viz net income, operating income etc.) would be constant into perpetuity. Hence, for all multiple based calculations, it is advisable to derive a long term expected financial measure rather than rely on the most recent number reported by the company.

Computing Industry Multiples

The four basic steps to compute and use multiples are as under:

Steps in computing multiples:

1. Identify the nature of business/ industry of the subject company:
   The characteristics of the industry in which the company operates would help identify the financial metric to be used in the denominator of the multiple. For example, EV/(EBITDA−CapEx) multiples are often used to value capital intensive businesses like cable companies, but would be inappropriate for consulting firms.

2. Determine the type of multiple to be used:
   Identifying the target user of the multiple is helpful for this purpose. For instance a marginal equity investor would be benefited from analyzing an equity value multiple. This is because a marginal investor would typically evaluate the purchase/ sale of his minority equity stake the value of which is represented by the traded equity share price. Corollary, in a business acquisition transaction the desire would be to gain insight into the company's relative business value sans any differences on account of the differing capital structure vs comparable companies. This purpose would be better served by an enterprise value multiple.

3. Identify comparable peer companies:
   Care must be taken that the companies chosen must have similar expectations for growth and return on capital to the subject company being valued. Additionally, the sub-sector chosen must closely represent the sub-sector of the subject company. Lastly, the set of peer companies must represent to the largest extent possible the business verticals – product mix and systematic risk factors of the subject company.

4. Periodicity of the financial metric:
   The period of performance of the chosen peer companies must be uniform. In situations where companies follow different accounting years (fiscal year/ calendar year) the latest reported complete financials must be adopted.

Types of Industry Multiples

Type of Multiple	Description	Types of Multiples	Description of financial measure
Equity Multiple	An equity multiple measures the relative attractiveness of a company's equity. The equity measure in the numerator may be the per share price or the aggregate equity market capitalization. The principle of uniformity in multiple analysis dictates that the financial measure in the denominator must be directly attributable to the providers of the equity capital for example, after tax earnings, book value of equity etc.	1. Price/ Earnings	After tax net profits from continuing operations
		2. Price/ Book	Total shareholder equity holdings measured at book value
		3. Price/ Sales	Revenue earned solely from business operations
Enterprise Multiple (EV)	An enterprise multiple analyzes the value of the organization's business. The market value of the equity is increased by the market value of debt, preference share capital and minority interest. Cash and non-business investments are reduced. The financial measure to compute the multiple must be before realizing the impact of distributions to providers of capital, for example, sales/ operating income before interest, dividends/ book value of total firm assets etc.	1. EV/ EBITDA	EBITDA is Profits before taxes (+) depreciation/Amortization/Impairment of assets/ investments (+) finance costs (-) non-operating incomes/ losses
		2. EV/ Sales	Revenue earned solely from business operations
		3. EV/ Tonne	Tonne of operational capacity in sectors such as steel and cement
		4. EV/ Subscriber	Subscribers of consumer driven businesses, such as Cable and Direct To Home (DTH)
		5. EV/EBITDAR	EBITDAR is EBITDA increased by rental and lease expenses used in sectors such as Retail and Telecomm

Types of Industry Multiples

Choice of multiple	Minority Investor - Marginal investors cannot impact business decisions which restricts their share in the company's value to the market price of their equity holdings. Hence, an equity multiple would be useful for such investors Strategic investor – In business acquisition/ merger transactions, an investor is looking to take a controlling position in an organization and would be interested in analyzing the business value of the company. Hence, such investors would be better served by an enterprise multiple

Type of multiple	Multiple covered in this Report	Reason
Equity multiples	Price/ Earnings and Price/ Book	The P/E multiple evaluates the strength of the primary contributory to equity return which is its net after tax earnings. The P/B multiple evaluates the cumulative value of the equity holding at a given point in time in terms of the equity book value. Given the importance of these factors in analyzing equity value and their commonality across industries, they form the most frequently used equity multiples and accordingly incorporated in our report
Enterprise multiples	EV/ EBITDA and EV/ Sales *(except for banking and finance sector)*	EBITDA and Sales are attributable to gross business investments and are financial measures reported across most sectors making them apt for business level comparisons. We have accordingly incorporated these multiples in our report. Banking and Finance sectors have unique business models requiring complex EV calculations. Hence EV/ EBITDA and EV/ Sales are not commonly used to evaluate these sectors

Types of Industry Multiples

Price/ Earnings (P/E) Ratio	
Formula	$P/E = \frac{\text{Share Price/ Market Capitalization}}{\text{Earnings per share/ total earnings}}$
Interpretation	• Inverse of P/E multiple is the implied earnings yield. A lower P/E would signify a higher yield. Accordingly, given comparable earning expectations of peer companies, a lower P/E signals an investment opportunity. Low earnings expectations however, may justify a lower P/E • A high P/E multiple i.e. a lower earnings yield may signal that the stock is over priced presenting a selling opportunity. Alternatively, a high P/E may be justified by favorable regulations and/ or lower risk profile of the sector
Limitation	• Cash flow risks are not captured by the P/E multiple. For instance a company may have positive after tax profits but it may not be generating incremental operating cash flows • The accounting standards may allow flexibility in their implementation which introduces management assumptions and biases in the reported earnings figure thereby reducing the comparative power of the multiple

Types of Industry Multiples

Price/ Book (P/B) Ratio	
Formula	$P/B = \frac{\text{Share Price/ Market Capitalization}}{\text{Book value of shareholder's equity}}$
Interpretation	• A forward equity book value is difficult to compute since prospective share issuances, buybacks, etc. are difficult to project. Generally the latest reported shareholder's equity is used to compute this multiple • A low P/B may signal a relative undervaluation and an investing opportunity. Alternatively, a low P/B may be justified due to impending bankruptcy proceedings/ sub-par expected performance • High P/B may signal a relative overvaluation and a selling opportunity. Alternatively, a high P/B multiple may be justified on account of superior expected performance or lower risk profile of the company • P/B multiple is a starting point and further analysis must be undertaken to determine the earnings and return on equity estimates
Limitation	• Accounting principles may not allow recognition or require immediate expensing of costs associated with generating brand value and other intangible assets unless externally acquired. Hence, a P/B multiple may not be useful in the presence of intangible value drivers in a company • P/B multiples can be less useful for services and information technology companies with little tangible assets on their balance sheets

Types of Industry Multiples

Enterprise/ EBITDA (EV/EBITDA) Ratio	
Formula	$\text{EV/EBITDA} = \frac{\text{Enterprise Value}}{\text{EBITDA}}$
Interpretation	• Similar to the P/E multiple, a lower (or higher) multiple signifies undervaluation (or overvaluation), Alternatively, the lower/ higher multiple may be justified in light of comparative higher/ lower company or sector specific risks. While the P/E multiple evaluates the an entity at its equity level, the EV/EBITDA analyses an entity at its business level. • Operating but one off extra-ordinary/ non-recurring incomes or expenses must be excluded from EBITDA to maintain the multiple's comparability to other similar companies
Limitation	• EBITDA is only a proxy of operating cash flows since it does not incorporate the changes in working capital • EV/EBITDA may not be useful to evaluate a capital intensive businesses s that incur frequent capital expenditures • Companies that are in cash heavy businesses may hold a high level of cash equivalents and investments which may result in a negative enterprise value and an unusable multiple

Types of Industry Multiples

Enterprise/ Sales (EV/Sales) Ratio	
Formula	$\text{EV/Sales} = \frac{\text{Enterprise Value}}{\text{Sales}}$
Interpretation	• EV/Sales is evaluated in the same light as the EV/EBITDA. EV/Sales is useful to evaluate early stage start-up companies since they typically have negative EBITDA/ earnings numbers • Year on year sales tends to be more stable and is subject to fewer accounting judgments than an earnings number and hence are more reliable than an earnings based multiple
Limitation	• EV/ Sales assumes that the companies being evaluated would generate similar margins. The potential for error in such an assumption is high and care must be taken to use this multiple only when the comparable companies closely track the business of the subject company • A company must ultimately generate profits and cash to generate value as a going concern, however, EV/Sales does not provide insight into the company's profitability/ cash flow level performance

Sector Wise Analysis of Industry Multiples in India

The sample size for our study of industry multiples has been deduced by analyzing all companies listed on the National Stock Exchange (NSE) as on March 31, 2018 as per CapitalLine database (CapLine). Of the 74 sectors reflected on CapLine, we have selected 48 sectors which represent ~92% of the total Market Capitalization. We have not considered the other sectors as their impact may not be significant to the total market capitalization. The 48 selected sectors from CapLine were re-grouped into the below mentioned 20 sectors.

Sr No.	Sectors
1	Automobile & Ancillaries
2	Banks
3	Capital Goods
4	Cement
5	Chemicals
6	Consumer Durables
7	Entertainment
8	Finance
9	FMCG
10	Infrastructure
11	IT
12	Logistics
13	Metals & Mining
14	Oil & Gas
15	Pharmaceuticals
16	Power
17	Realty
18	Retail
19	Telecom
20	Trading

Methodology adopted for analysis – Financial data points:

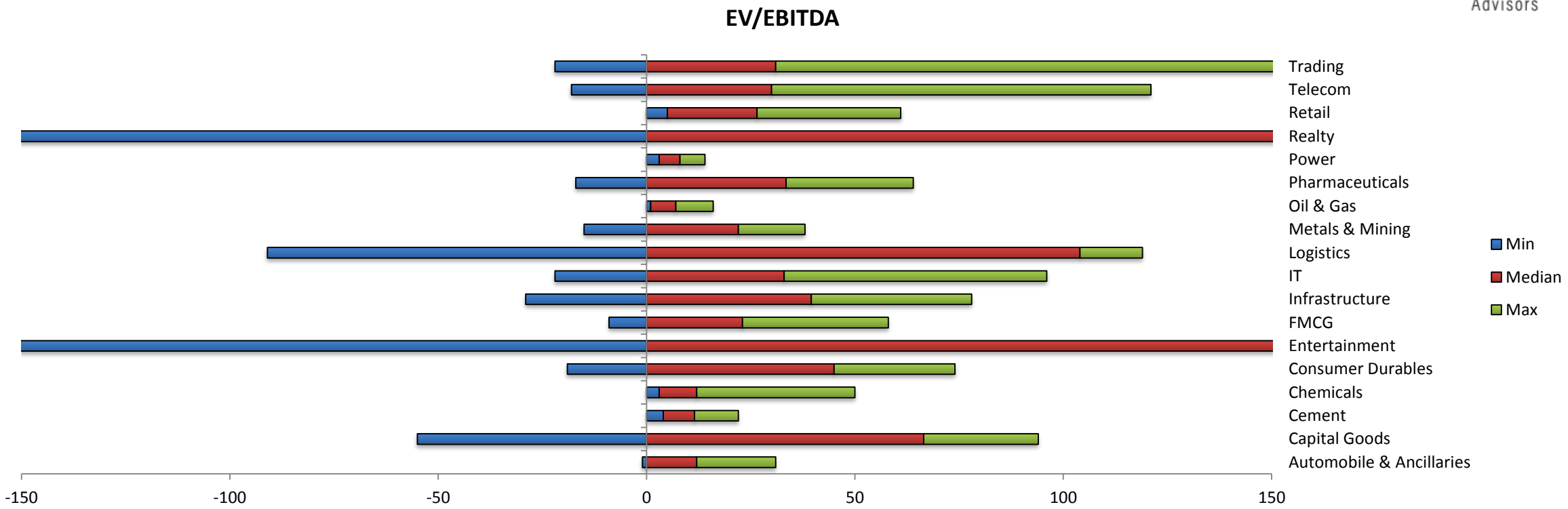
- Balance sheet numbers related to enterprise value and equity shareholder's funds and operating results viz EBITDA, net after tax profit and sales numbers for FY2018 was sourced from CapLine with a few exceptions where data was directly sourced from company's reported results.
- NSE was closed for trading on March 29, 2018 and March 30, 2018 on account of national holidays. Hence, market cap of each company was considered as on March 28, 2018 and the same was sourced from CapLine.
- Enterprise Value (EV):
  - Enterprise Value as on March 31, 2018 has been computed by adding the company's total debt and reducing its total investments and cash & cash equivalents from the company's market capitalization as on March 28, 2018.
  - Due to absence of break up of share capital as on March 31, 2018, the preference share capital has not been considered in the enterprise value.
- Sales refer to reported Net operating revenues before non-operating income.
- EBITDA refers to the operating profit before taxes adjusted for exceptional incomes/expenses, depreciation, impairment, amortization, gains or losses on sale of investments/ assets and other non-operating income.
- Net profit after tax does not include profits from discontinued operations and extra-ordinary incomes/ expenses.
- The financial data points for companies following a non-fiscal accounting year and having a market cap size (as a % of NSE capitalization) of 0.08% and above as on March 31, 2018 have been considered as per their latest complete financials.

Sector Wise Analysis of Industry Multiples in India

Computation and presentation of multiples

- The multiples presented in the Report have been rounded off to the nearest whole number i.e. decimals of 0.5 and above were rounded up and 0.49 and below have been rounded down.
- We have excluded outliers from the multiple analysis. To determine the outliers, the multiple series was arranged in a descending order. Thereafter, the highest and lowest isolated values having a large variance from the immediately preceding cluster of values were considered as outliers. For example, where a single company has a multiple of 110 with the immediately preceding cluster of high values being in the range of 61-68, the company with the multiple of 110 would be treated as an outlier. However, in case such a company is an important player in its sector, then the same would be retained in the sample data.
- An outlier in any one multiple was considered as an outlier for all the multiples of the given sector.
- The multiples excluding the outliers were bifurcated into range of values and plotted on pie charts. Each segment of the pie chart represents the number of companies in the specified range. E.g. The EV/EBITDA pie chart in the auto and ancillary sector reflects '8' in the pie representing the range 23x – 30x. This implies that there are 8 companies in the sector which have EV/EBITDA between 23x and 30x with 23 and 30 both inclusive, similarly '10' reflected in the pie representing the range 16x – 22x implies that there are 10 companies in the sector which have EV/EBITDA between 16x and 22x with 16 and 22 both inclusive so on and so forth for the EV/Sales, P/E, and P/B pie charts.
- Negative values, other than outliers, have been separately shown on each pie chart.

Sector Wise Analysis of Industry Multiples in India

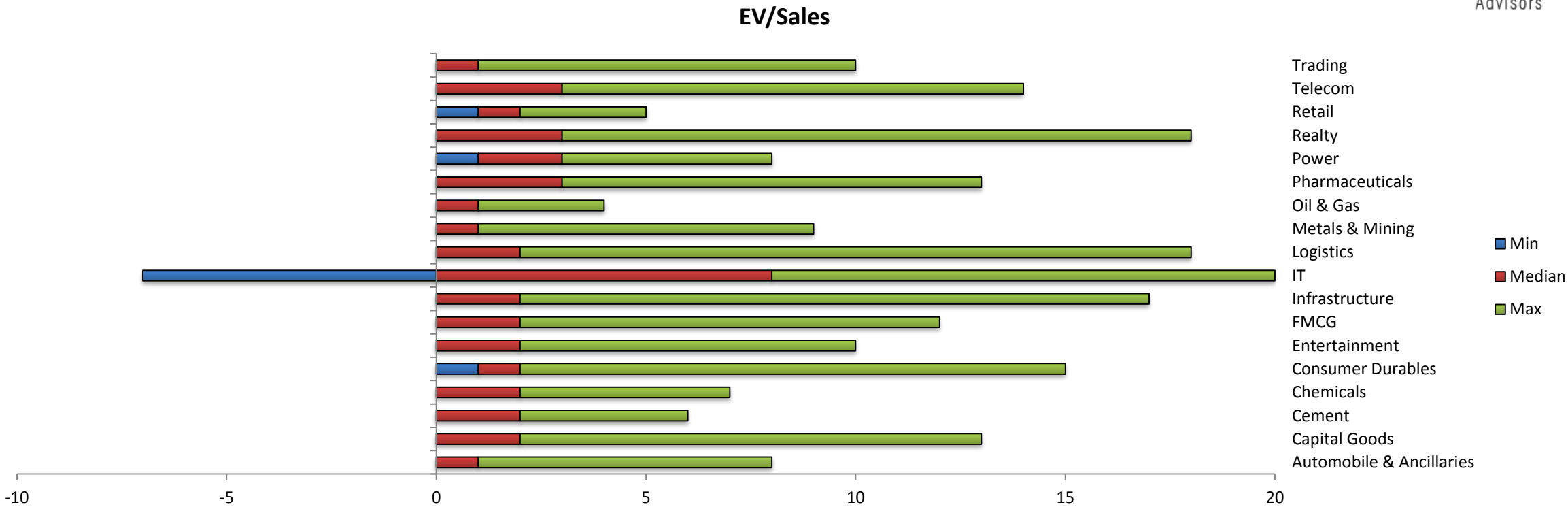


- The X axis of the chart is restricted to a maximum of 150 units and a minimum of (150) units. Entertainment, Logistics, Realty and Trading sectors have EV/EBITDA greater than the above limits. The multiple of these sectors are mentioned in the table below for easy reference

	Min	Median	Max
Entertainment	-232.0x	9.0x	30.0x
Logistics	-91.0x	13.0x	28.0x
Realty	-3981.0x	10.5x	36.0x
Trading	-22.0x	9.0x	275.0x

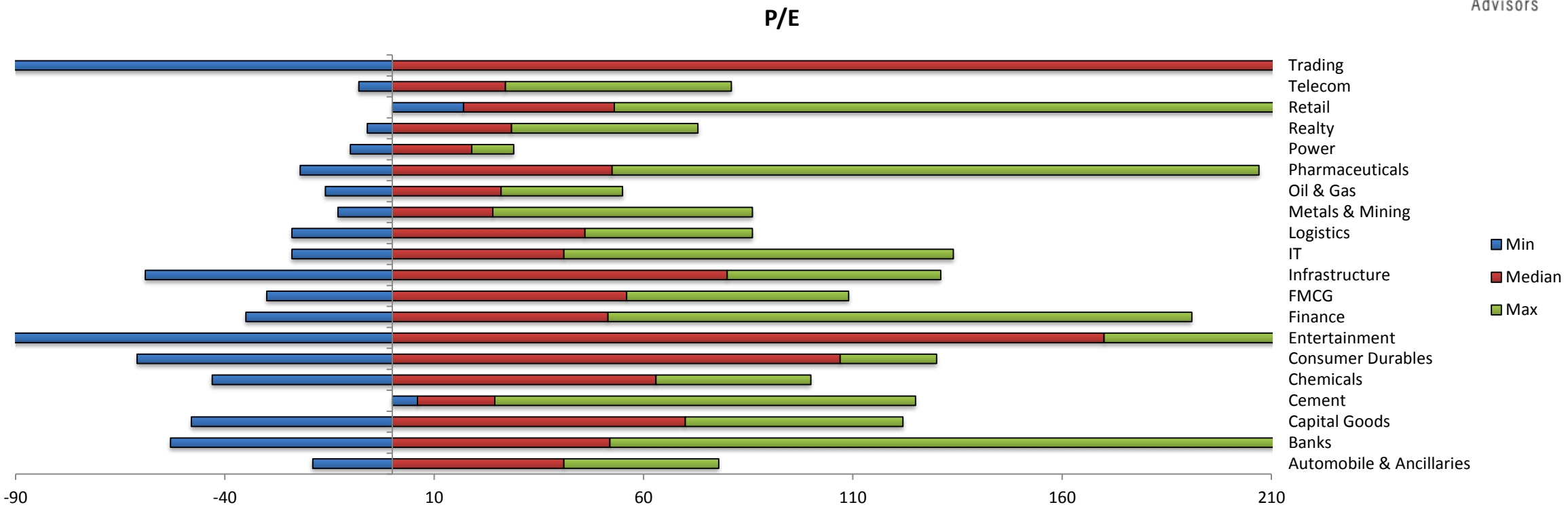
- MMTC in the trading sector has the maximum EV/EBITDA of 275x and Godrej Properties in the Realty sector has the lowest EV/EBITDA of -3,981x

Sector Wise Analysis of Industry Multiples in India



- Container Corporation of India Limited in the Logistic sector has the maximum EV/Sales of 18x and Smartlink Holdings in the IT sector has the lowest EV/EBITA of -7x

Sector Wise Analysis of Industry Multiples in India

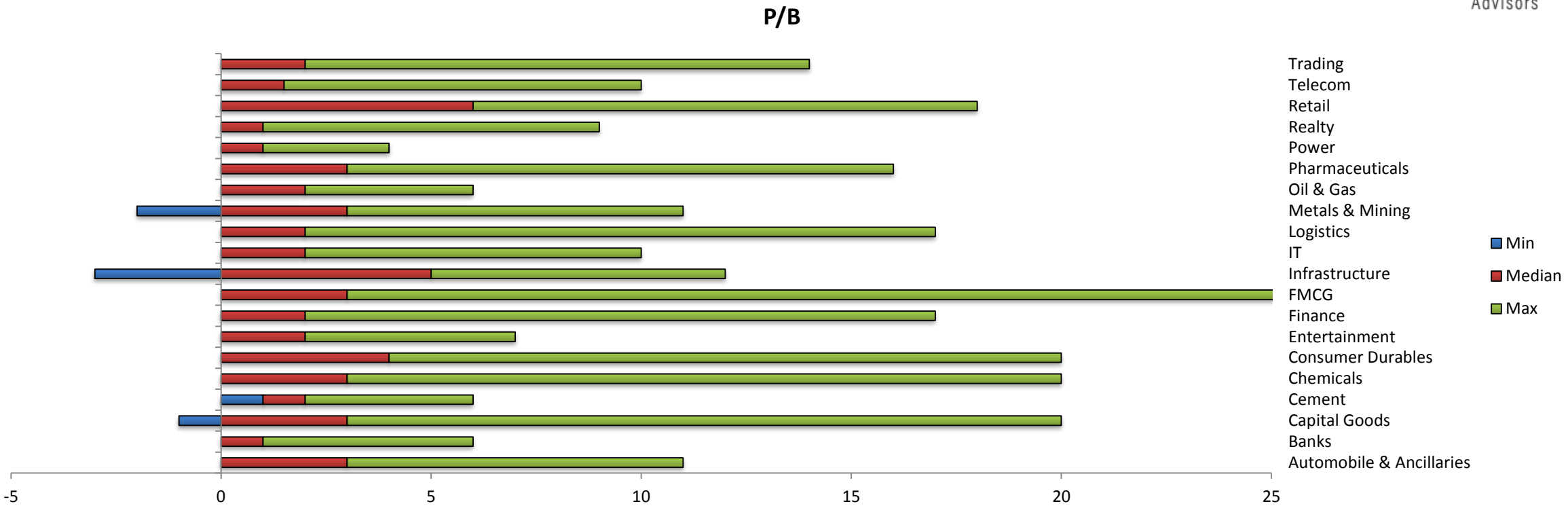


- The X axis of the chart is restricted to a maximum of 210 units and a minimum of (90) units. Banks, Entertainment, Retail and Trading sectors have P/E greater than the above limits. The multiple of these sectors are mentioned in the table below for easy reference

	Min	Median	Max
Banks	-53.0x	-1.0x	282.0x
Entertainment	-161.0x	9.0x	99.0x
Retail	17.0x	53.0x	2445.0x
Trading	-342.0x	16.0x	148.0x

- Future Retail Limited in the Retail sector has the maximum P/E of 2,445x and Future Consumer Limited in the Trading sector has the lowest P/E of -342x

Sector Wise Analysis of Industry Multiples in India



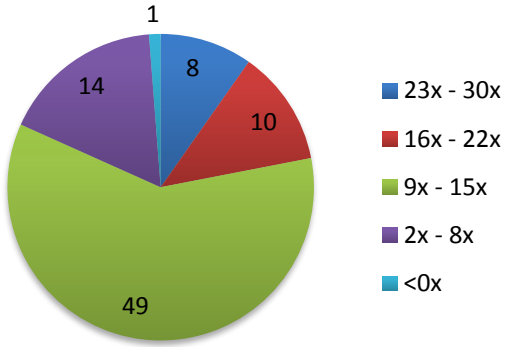
- The X axis of the chart is restricted to a maximum of 25 units. There is not restriction to the minimum value. FMCG sector has min, median and max P/B multiple of 0x, 3x and 47x.

- P&G Hygiene & Healthcare Limited in the FMCG sector has the highest P/B of 47x. IL&FS Engineering and Construction Company and GVK Power & Infrastructure Limited in the Infrastructure sector have the lowest P/B of -3x

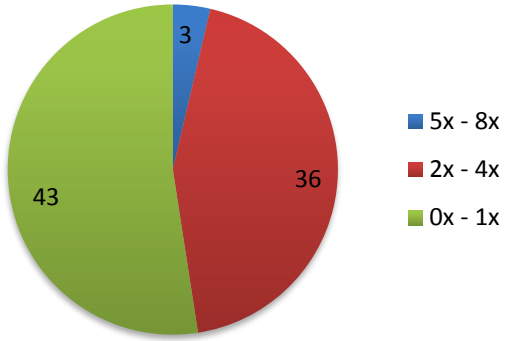
Sector Wise Industry Multiples in India – Auto & Ancillary

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	82	82	82	82
Median	11.0x	1.0x	22.0x	3.0x
Mean	12.5x	1.8x	23.5x	3.8x
First Quartile	9.0x	1.0x	18.0x	2.0x
Third Quartile	15.0x	2.0x	29.0x	5.0x
Number of outliers	9	2	6	0

EV/EBITDA



EV/Sales



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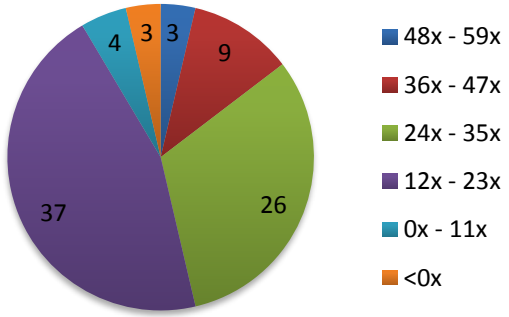

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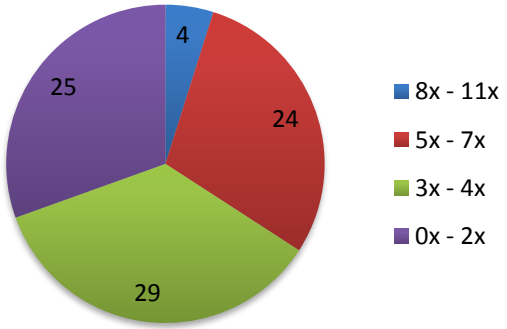
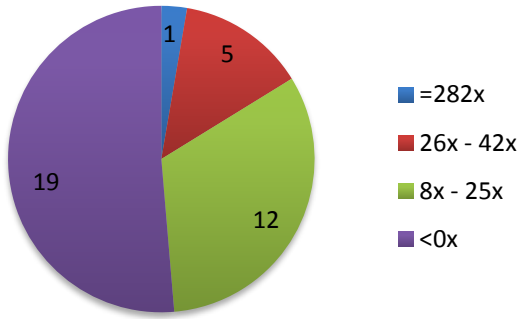


Sector Wise Industry Multiples in India – Auto & Ancillary

	P/E	P/B
Number of observations	37	37
Median	-1.0x	1.0x
Mean	14.4x	1.3x
First Quartile	-2.0x	0.0x
Third Quartile	19.0x	2.0x
Number of outliers	0	1

Banking and Finance sectors have unique business models requiring complex EV calculations. Hence EV/ EBITDA and EV/ Sales are not commonly used to evaluate these sectors

P/E



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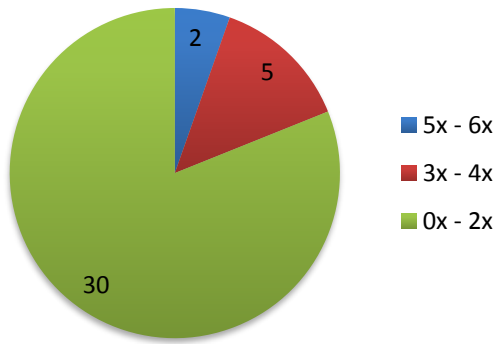
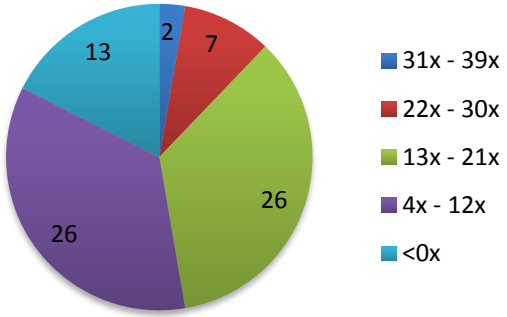


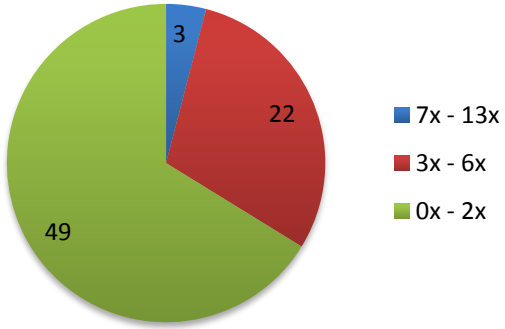
Sector Wise Industry Multiples in India – Capital Goods

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	74	74	74	74
Median	11.5x	2.0x	22.0x	2.0x
Mean	8.8x	2.4x	21.5x	2.9x
First Quartile	7.0x	1.0x	12.5x	1.0x
Third Quartile	18.0x	3.0x	34.0x	4.0x
Number of outliers	8	1	8	3

EV/EBITDA



EV/Sales



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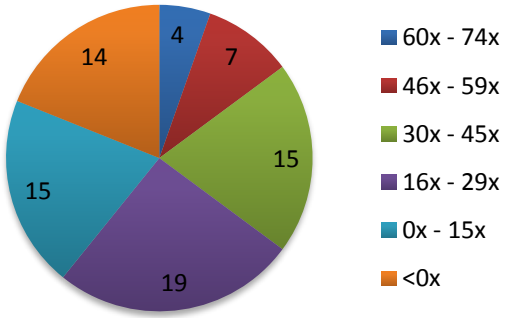

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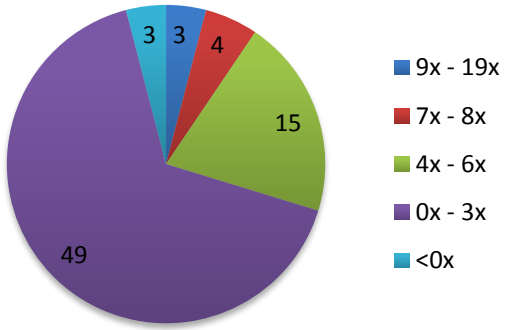
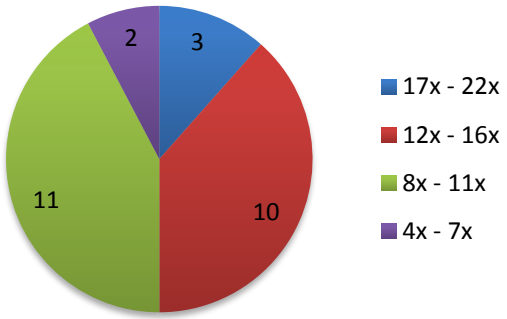


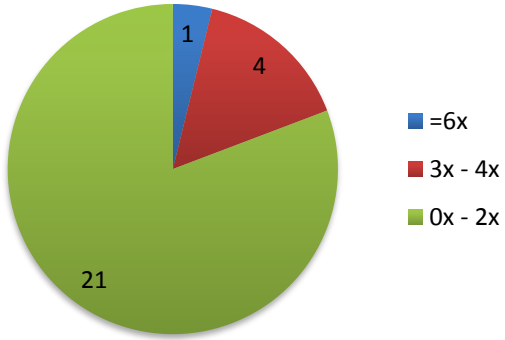
Sector Wise Industry Multiples in India – Cement

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	26	26	26	26
Median	11.5x	2.0x	24.5x	2.0x
Mean	11.8x	2.0x	35.3x	2.7x
First Quartile	9.0x	1.0x	17.3x	2.0x
Third Quartile	14.5x	2.0x	39.8x	3.8x
Number of outliers	4	3	4	7

EV/EBITDA



EV/Sales



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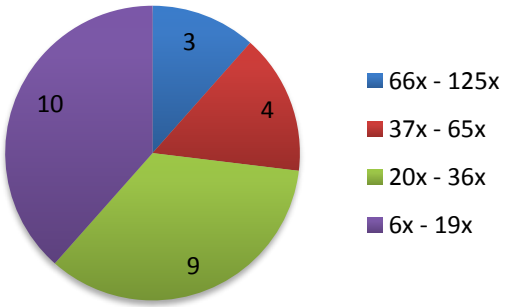

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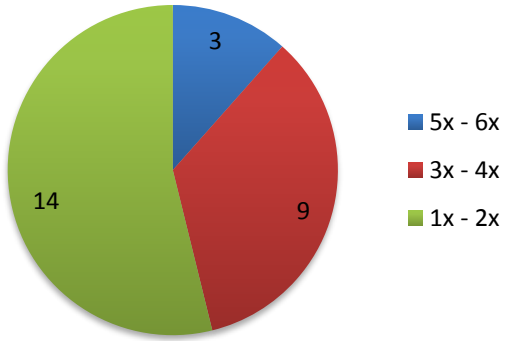
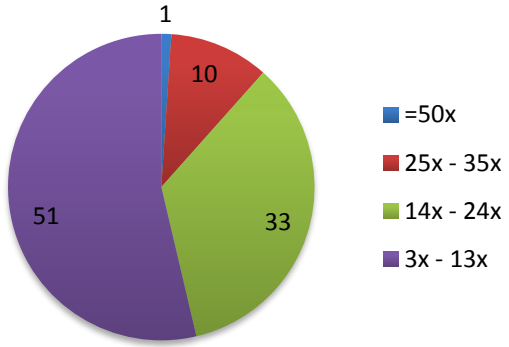


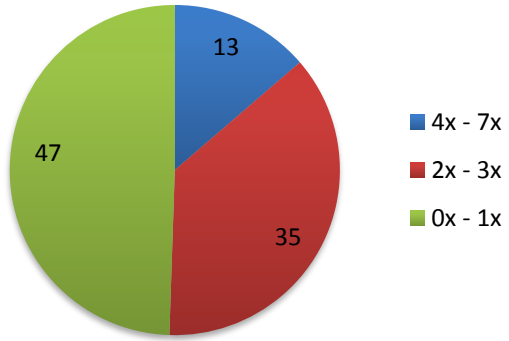
Sector Wise Industry Multiples in India – Chemicals

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	95	95	95	95
Median	12.0x	2.0x	20.0x	3.0x
Mean	14.4x	2.0x	22.4x	3.8x
First Quartile	9.5x	1.0x	15.0x	2.0x
Third Quartile	17.5x	3.0x	29.0x	5.0x
Number of outliers	7	2	3	3

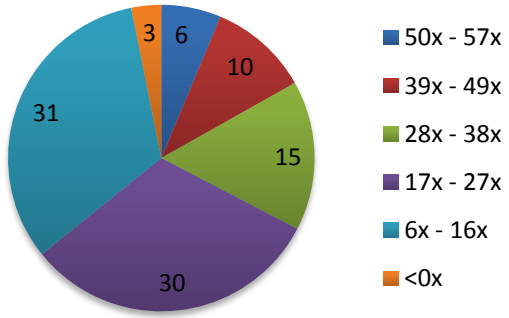
EV/EBITDA



EV/Sales



P/E



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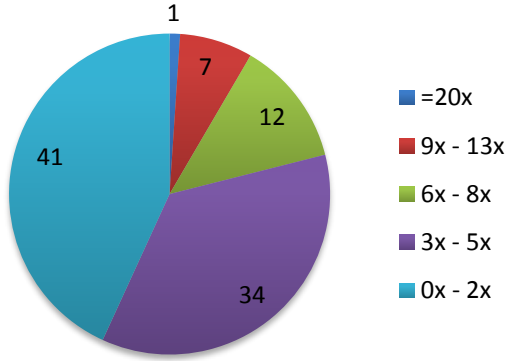
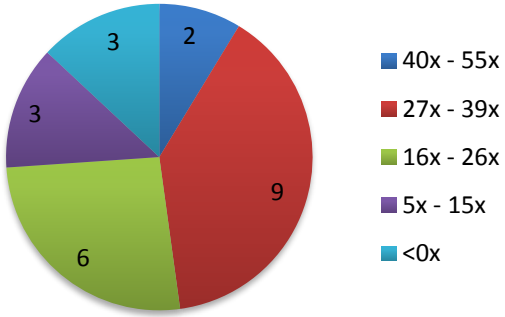


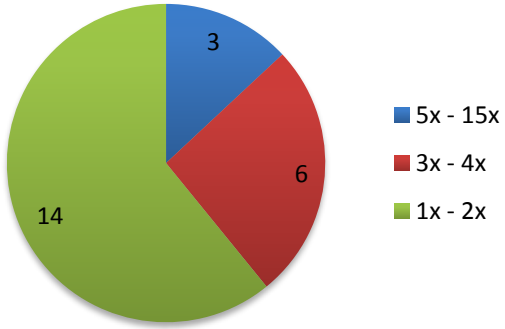
Sector Wise Industry Multiples in India – Consumer Durables

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	23	23	23	23
Median	26.0x	2.0x	47.0x	4.0x
Mean	21.0x	2.9x	38.9x	5.7x
First Quartile	15.5x	1.0x	20.0x	2.0x
Third Quartile	30.5x	3.0x	60.5x	8.5x
Number of outliers	0	0	5	3

EV/EBITDA



EV/Sales



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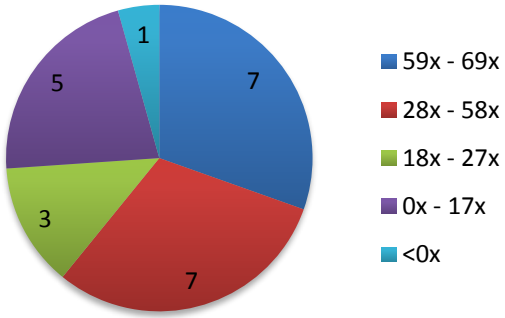

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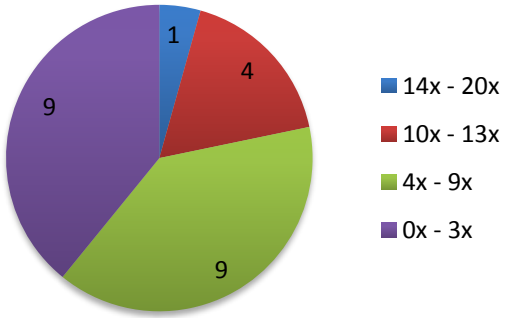
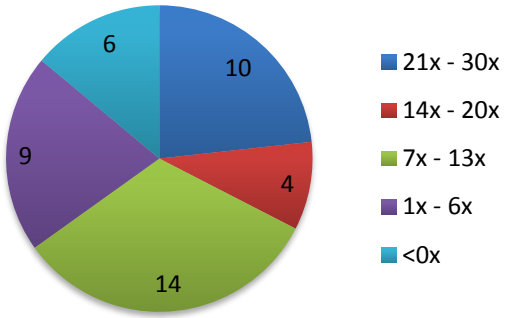


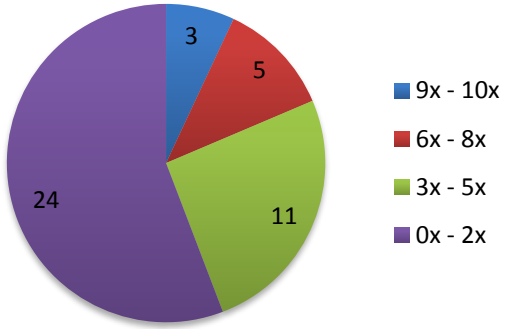
Sector Wise Industry Multiples in India – Entertainment

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	43	43	43	43
Median	9.0x	2.0x	9.0x	2.0x
Mean	4.6x	3.2x	7.6x	2.7x
First Quartile	5.0x	1.0x	-3.5x	1.0x
Third Quartile	16.0x	4.0x	27.0x	4.0x
Number of outliers	4	2	2	1

EV/EBITDA



EV/Sales



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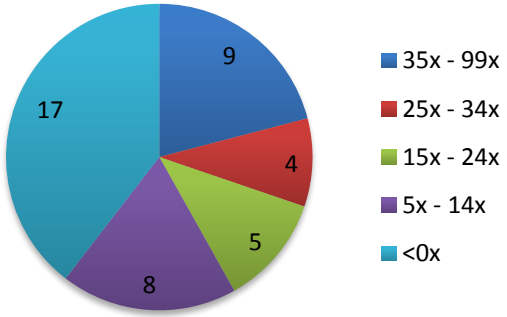

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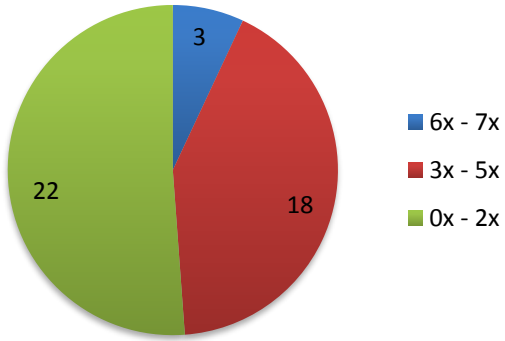
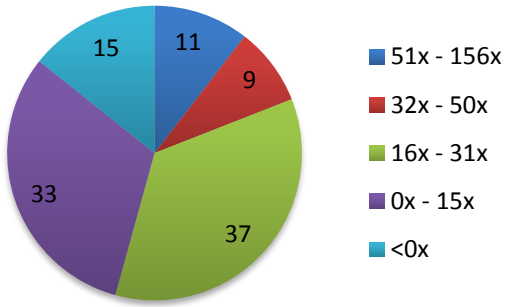


Sector Wise Industry Multiples in India – Finance

	P/E	P/B
Number of observations	105	105
Median	17.0x	2.0x
Mean	21.1x	2.6x
First Quartile	7.0x	1.0x
Third Quartile	28.0x	3.0x
Number of outliers	8	0

Banking and Finance sectors have unique business models requiring complex EV calculations. Hence EV/ EBITDA and EV/ Sales are not commonly used to evaluate these sectors

P/E



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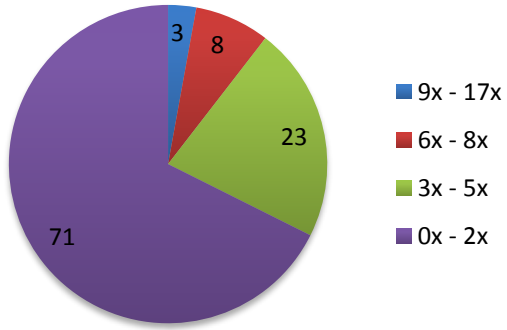
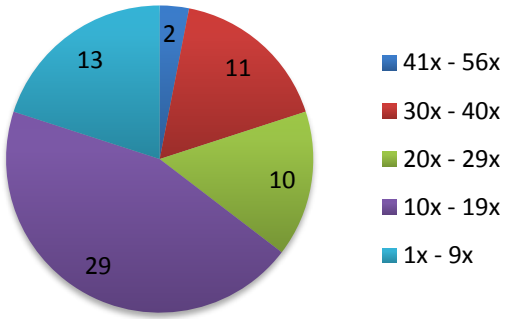


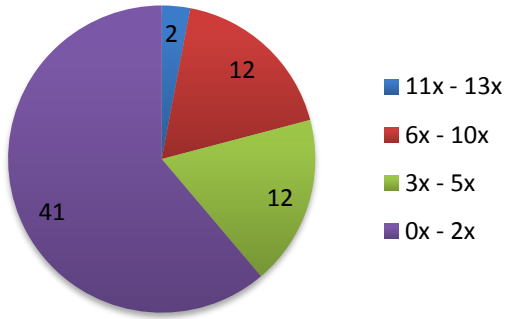
Sector Wise Industry Multiples in India – FMCG

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	67	67	67	67
Median	14.0x	2.0x	26.0x	3.0x
Mean	17.9x	3.0x	30.6x	6.9x
First Quartile	10.0x	1.0x	15.5x	1.0x
Third Quartile	25.5x	4.0x	47.0x	7.5x
Number of outliers	2	2	6	2

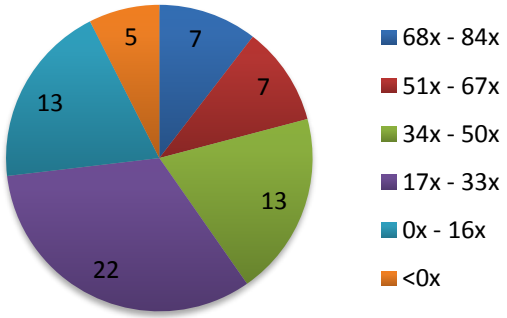
EV/EBITDA



EV/Sales



P/E



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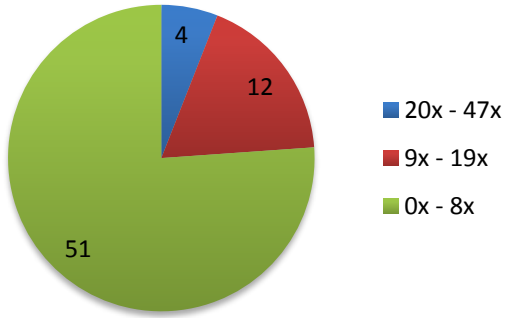
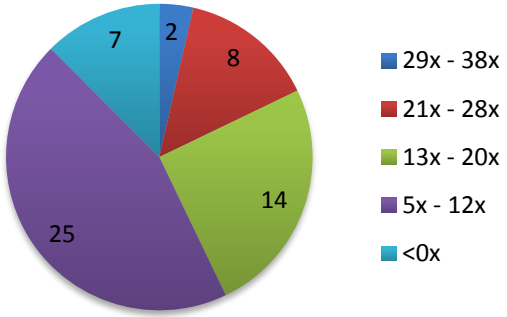


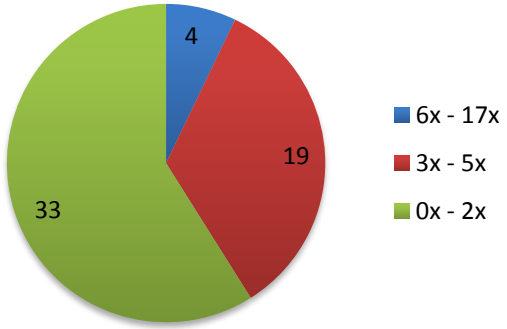
Sector Wise Industry Multiples in India – Infrastructure

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	56	56	56	56
Median	10.5x	2.0x	21.0x	2.0x
Mean	10.4x	2.8x	19.2x	2.5x
First Quartile	7.8x	1.0x	0.0x	1.0x
Third Quartile	17.0x	3.3x	30.5x	4.0x
Number of outliers	12	3	5	4

EV/EBITDA



EV/Sales



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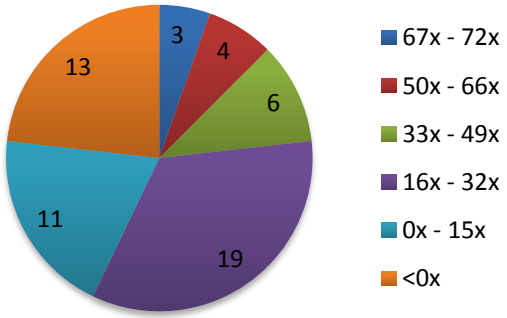

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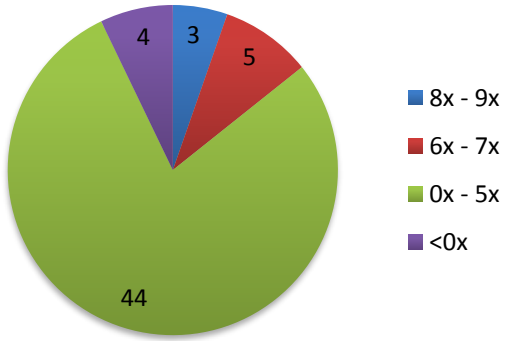
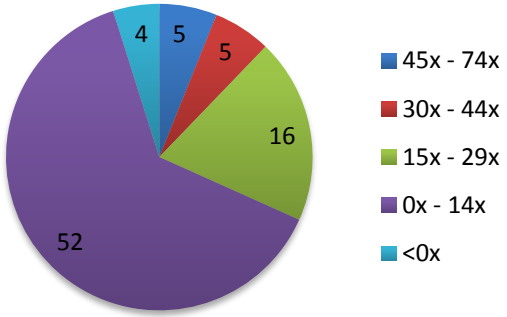


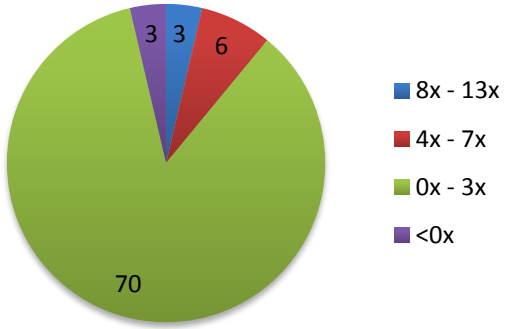
Sector Wise Industry Multiples in India – IT

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	82	82	82	82
Median	11.0x	1.0x	17.0x	2.0x
Mean	14.3x	1.7x	22.3x	2.8x
First Quartile	7.0x	1.0x	11.3x	1.0x
Third Quartile	16.0x	2.0x	25.3x	4.0x
Number of outliers	6	4	8	4

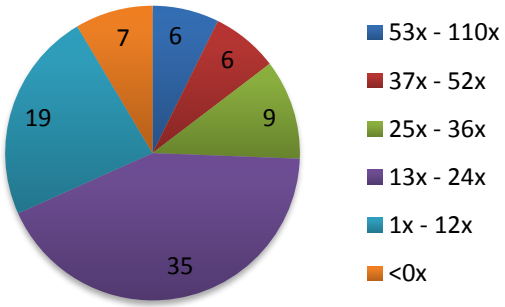
EV/EBITDA



EV/Sales



P/E



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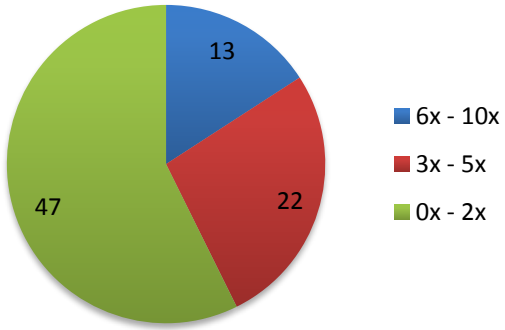
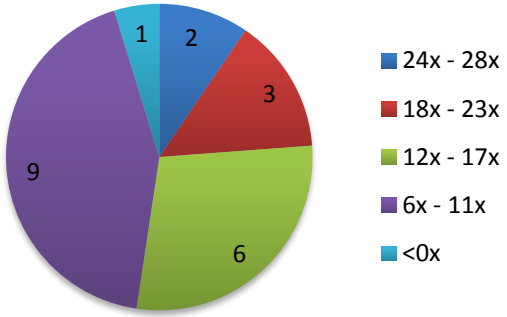


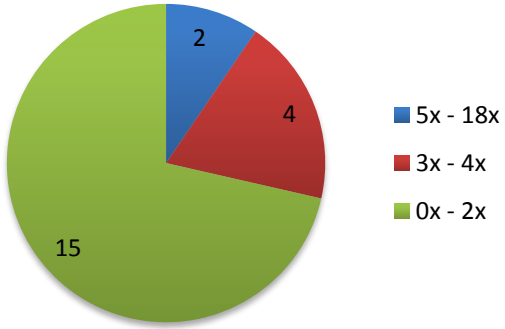
Sector Wise Industry Multiples in India – Logistics

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	21	21	21	21
Median	13.0x	2.0x	22.0x	2.0x
Mean	9.3x	3.0x	21.3x	3.5x
First Quartile	9.0x	1.0x	11.0x	1.0x
Third Quartile	17.0x	3.0x	32.0x	5.0x
Number of outliers	2	0	4	8

EV/EBITDA



EV/Sales



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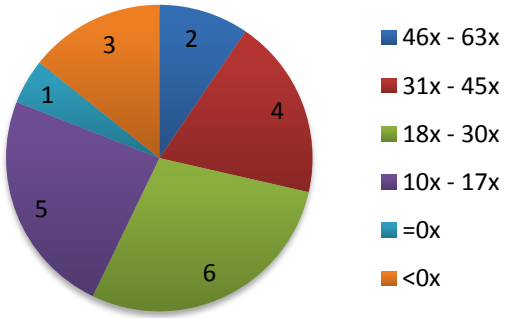

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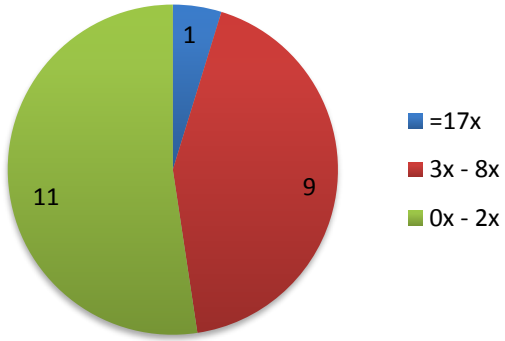
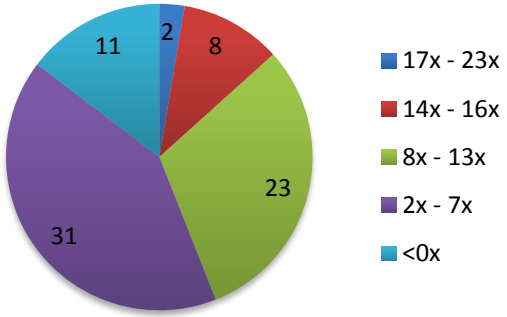


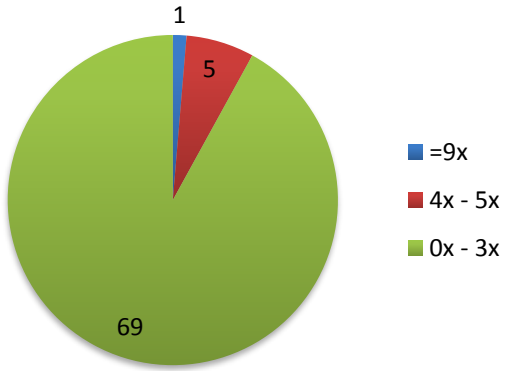
Sector Wise Industry Multiples in India – Metals & Mining

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	75	75	75	75
Median	7.0x	1.0x	11.0x	1.0x
Mean	6.5x	1.4x	14.8x	1.8x
First Quartile	5.0x	1.0x	7.0x	1.0x
Third Quartile	10.0x	1.0x	19.5x	2.5x
Number of outliers	12	5	6	3

EV/EBITDA



EV/Sales



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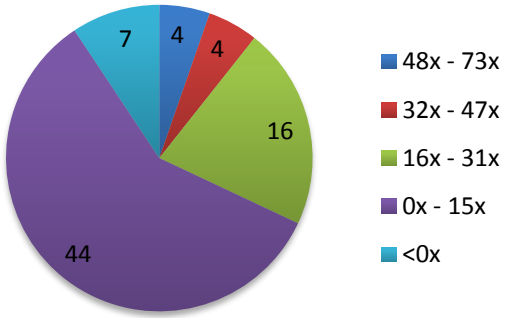

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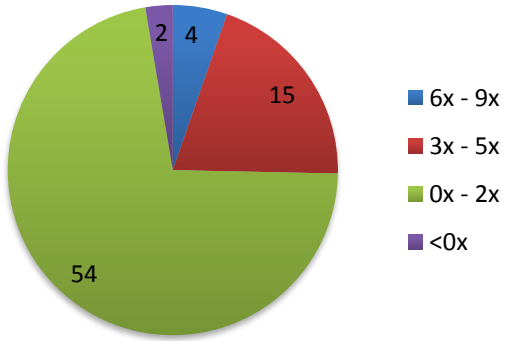
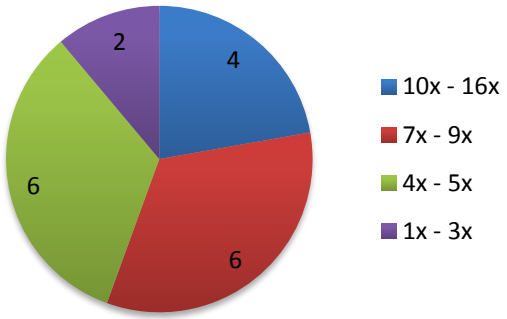


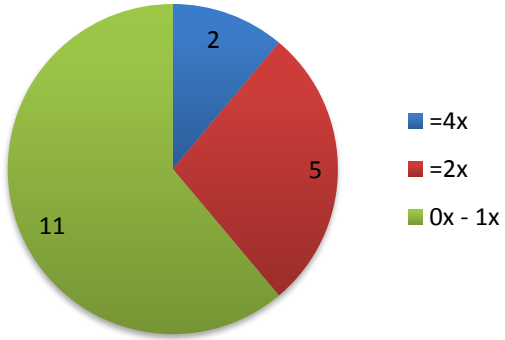
Sector Wise Industry Multiples in India – Oil & Gas

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	18	18	18	18
Median	7.0x	1.0x	10.0x	2.0x
Mean	7.2x	1.3x	11.9x	2.4x
First Quartile	5.0x	0.3x	8.3x	1.0x
Third Quartile	8.8x	2.0x	15.0x	3.8x
Number of outliers	1	2	1	1

EV/EBITDA



EV/Sales



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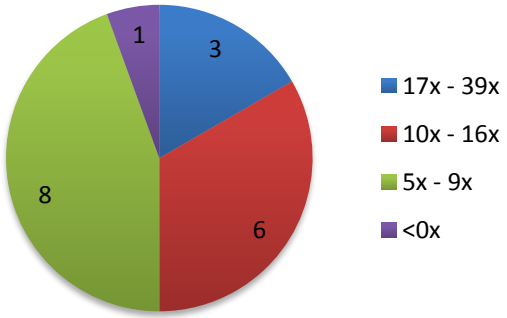

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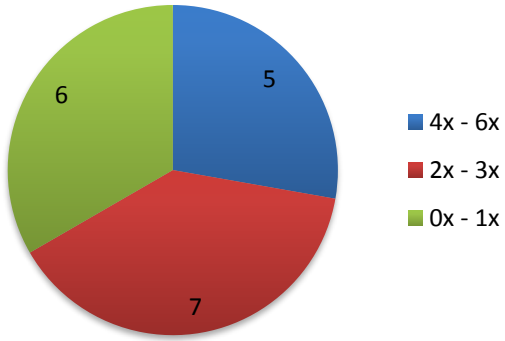
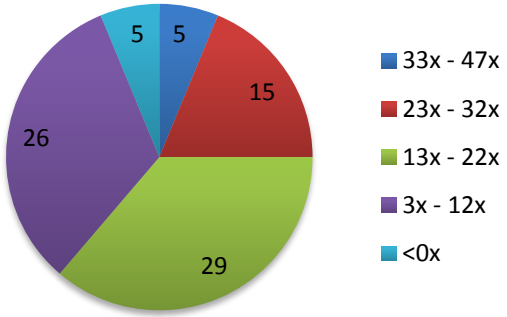


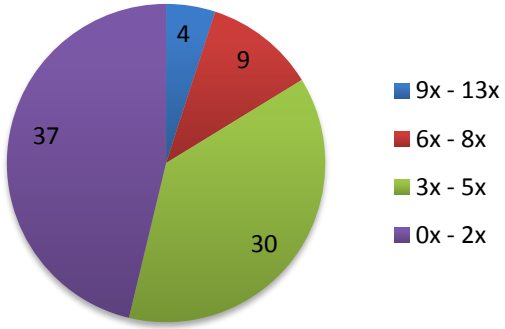
Sector Wise Industry Multiples in India – Pharmaceutical

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	80	80	80	80
Median	16.5x	3.0x	30.5x	3.0x
Mean	16.6x	3.3x	34.9x	3.8x
First Quartile	9.0x	2.0x	18.0x	2.0x
Third Quartile	22.3x	4.0x	43.3x	5.0x
Number of outliers	7	2	3	5

EV/EBITDA



EV/Sales



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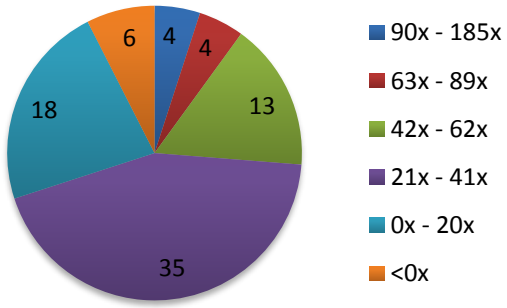

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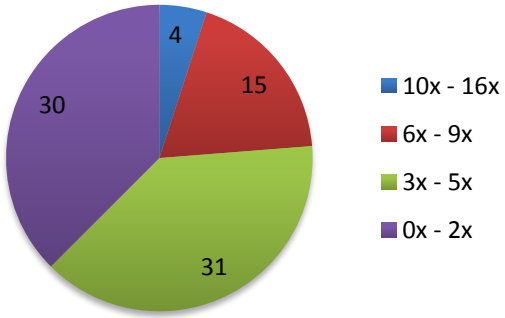
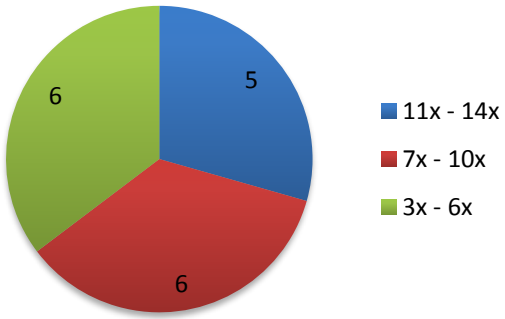


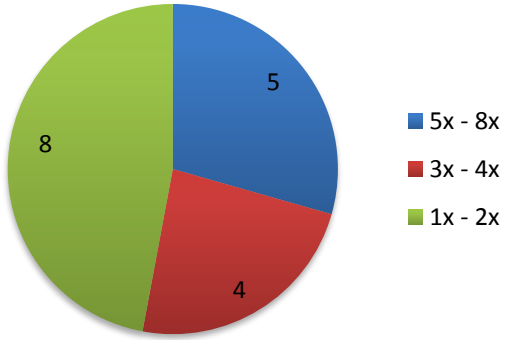
Sector Wise Industry Multiples in India – Power

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	17	17	17	17
Median	8.0x	3.0x	9.0x	1.0x
Mean	7.8x	3.5x	6.2x	0.9x
First Quartile	6.0x	2.0x	0.0x	0.0x
Third Quartile	11.0x	5.0x	11.0x	1.0x
Number of outliers	2	0	4	2

EV/EBITDA



EV/Sales



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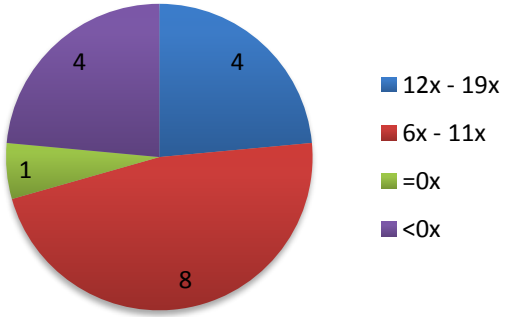

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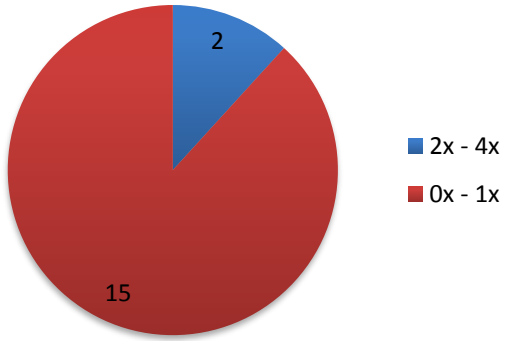
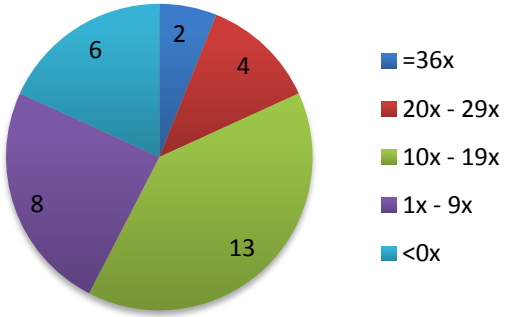


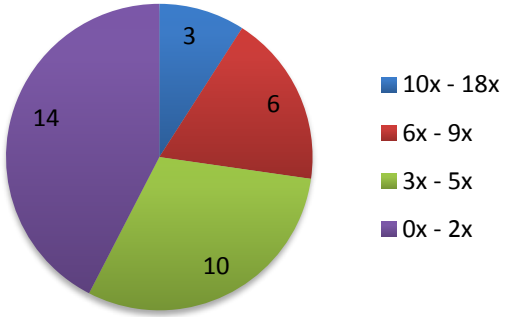
Sector Wise Industry Multiples in India – Realty

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	33	33	33	33
Median	11.0x	3.0x	22.0x	1.0x
Mean	-113.7x	4.1x	22.3x	2.1x
First Quartile	6.0x	1.0x	8.0x	1.0x
Third Quartile	19.0x	6.0x	35.0x	3.0x
Number of outliers	2	9	9	1

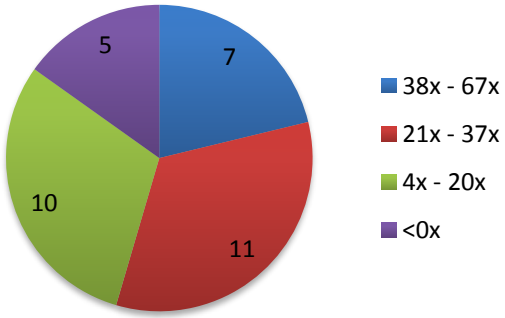
EV/EBITDA



EV/Sales



P/E



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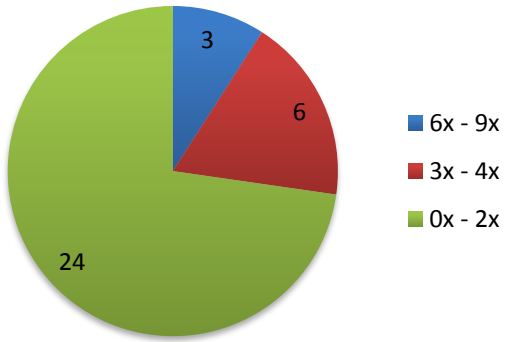
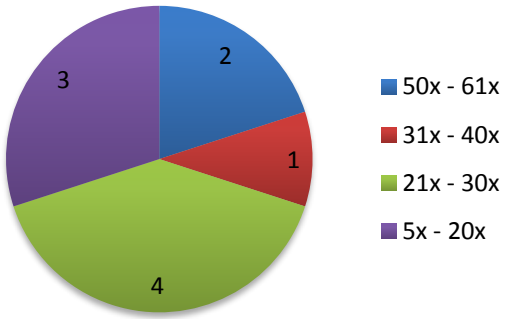


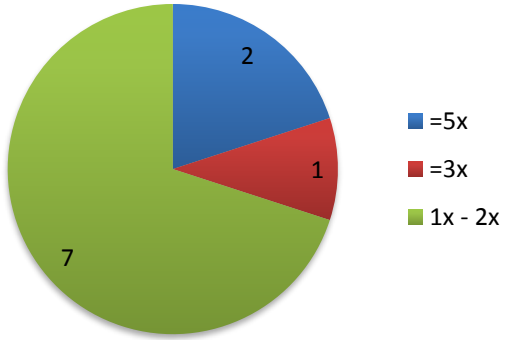
Sector Wise Industry Multiples in India – Retail

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	10	10	10	10
Median	26.5x	2.0x	53.0x	6.0x
Mean	28.8x	2.4x	301.6x	7.4x
First Quartile	20.3x	1.3x	44.0x	5.0x
Third Quartile	32.5x	2.8x	102.0x	9.8x
Number of outliers	2	1	2	1

EV/EBITDA



EV/Sales



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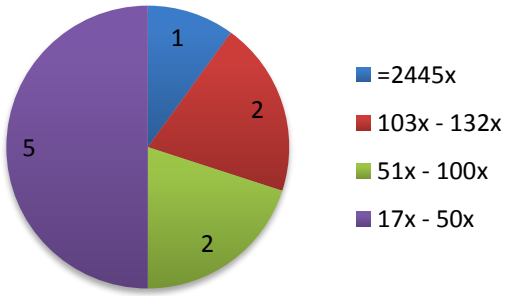

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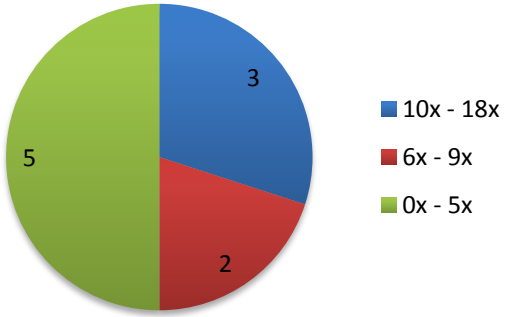
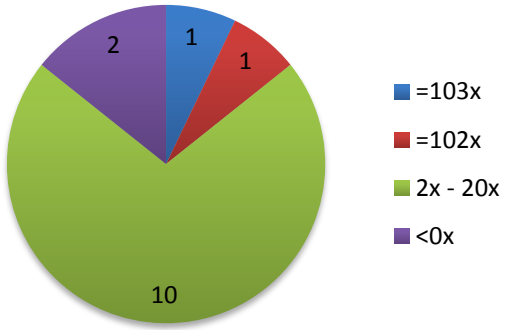


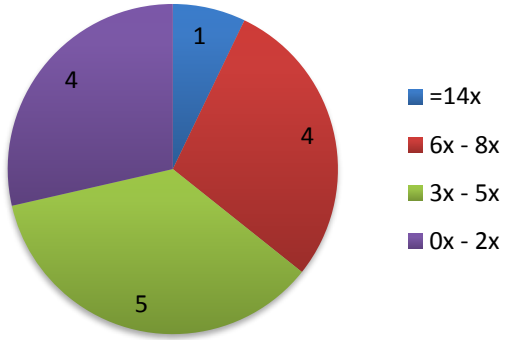
Sector Wise Industry Multiples in India – Telecom

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	14	14	14	14
Median	12.0x	3.0x	19.0x	1.5x
Mean	20.4x	4.4x	19.1x	2.4x
First Quartile	5.8x	2.3x	0.0x	1.0x
Third Quartile	15.8x	6.8x	30.5x	3.0x
Number of outliers	1	3	4	3

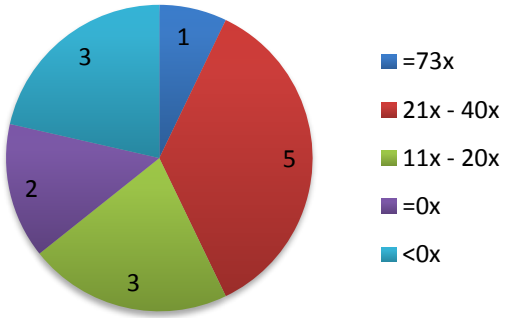
EV/EBITDA



EV/Sales



P/E



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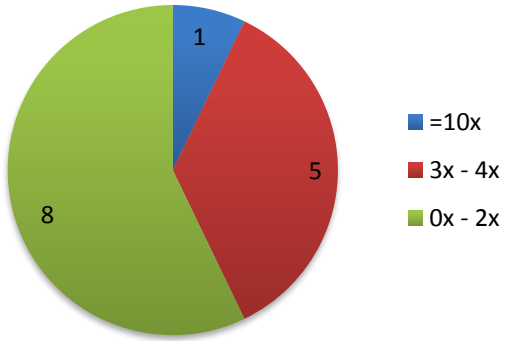
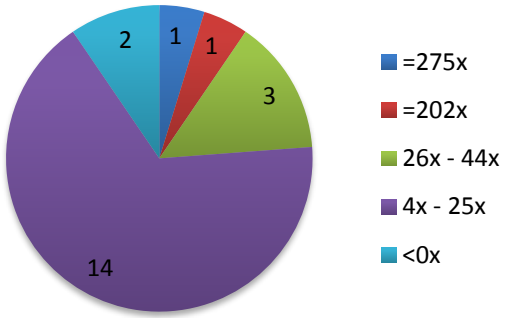


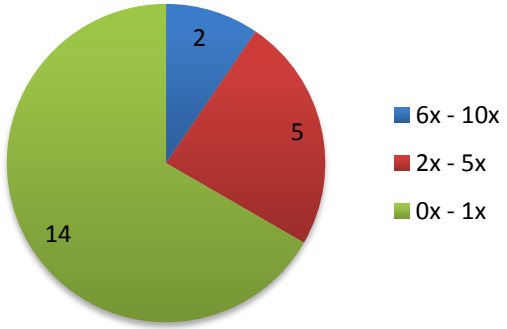
Sector Wise Industry Multiples in India – Trading

	EV/EBITDA	EV/Sales	P/E	P/B
Number of observations	21	21	21	21
Median	9.0x	1.0x	16.0x	2.0x
Mean	34.0x	1.9x	18.8x	3.6x
First Quartile	6.0x	0.0x	8.0x	1.0x
Third Quartile	25.0x	2.0x	41.0x	5.0x
Number of outliers	4	2	0	0

EV/EBITDA



EV/Sales



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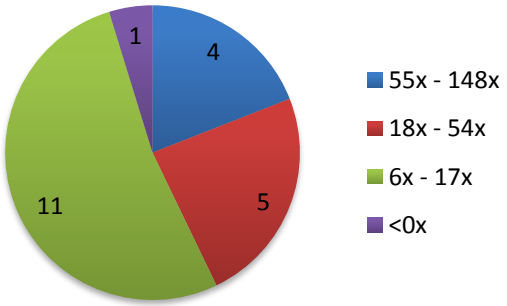
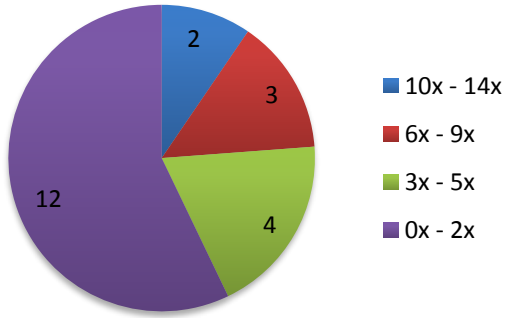


P/B



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